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**VILLAGE OF FRENCH SETTLEMENT**  
**REVIEW REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/18/08

**VILLAGE OF FRENCH SETTLEMENT**  
**REVIEW REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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**Postlethwaite & Netterville**

A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States  
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**ACCOUNTANT'S REVIEW REPORT**

The Honorable Mayor, Toni Guitrau  
And Members of the Board of Alderman  
Village of French Settlement, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Village of French Settlement, Louisiana, as of and for the year ended December 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Village of French Settlement, Louisiana.

A review consists principally of inquiries of Village personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 2 – 7 and 20, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

*Postlethwaite & Netterville*

May 27, 2008

## **VILLAGE OF FRENCH SETTLEMENT**

### **MANAGEMENTS DISCUSSION AND ANALYSIS**

**December 31, 2007**

This section of Village's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year that ended on December 31, 2007.

#### **FINANCIAL HIGHLIGHTS**

- The Village's total net assets totaling \$646,271 increased 26.34% over the course of the year's operations compared to prior year.
- During the year, the Village's expenses were \$134,732 less than the \$381,336 generated in charges for services, and other revenue.
- The General fund reported a fund balance of \$277,621 at December 31, 2007.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Village's financial statements, including the portion of the Village's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

# VILLAGE OF FRENCH SETTLEMENT

## MANAGEMENTS DISCUSSION AND ANALYSIS

December 31, 2007

Figure A-1 Major Features of Village's Government and Fund Financial Statements		
	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire Village government (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary, such as police, fire, and parks
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter

## **VILLAGE OF FRENCH SETTLEMENT**

### **MANAGEMENTS DISCUSSION AND ANALYSIS**

**December 31, 2007**

#### **Government-wide Statements**

The government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Village's net assets and how they have changed. Net assets—the difference between the Village's assets and liabilities—is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Village consist of one category:

- Governmental activities—most of the Village's basic services are included here, such as the police department, and general administration. Fines and fees finance most of these activities.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Village's most significant funds—not the Village as a whole. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

## VILLAGE OF FRENCH SETTLEMENT

### MANAGEMENTS DISCUSSION AND ANALYSIS

December 31, 2007

The Village has only one kind of fund:

- Governmental funds—Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

**Net assets.** The Village's net assets were \$646,271 at the end of the fiscal year. (See Table A-1.)

<b>Table A-1</b>		
<b>Village's Net Assets</b>		
Governmental Activities		
	<b>2007</b>	<b>2006</b>
Current and other assets	\$286,309	\$239,967
Capital assets	368,650	278,540
<b>Total assets</b>	<b>654,959</b>	<b>518,507</b>
Current liabilities	8,688	6,968
<b>Total liabilities</b>	<b>8,688</b>	<b>6,968</b>
Net assets		
Invested in capital assets	368,650	278,540
Unrestricted	277,621	232,999
<b>Total net assets</b>	<b>\$ 646,271</b>	<b>\$ 511,539</b>

Net assets of the Village's governmental activities increased to \$646,271 or by 26.34% from prior year.

Net assets invested in capital assets account for approximately 57% of total net assets reported as of December 31, 2007.



## **VILLAGE OF FRENCH SETTLEMENT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2007**

**Changes in net assets.** The Village's total revenues increased during 2007 to \$381,336 representing an increase of 56.49% from 2006. (See Table A-2.) Approximately 88 percent of the Village's revenue comes from fines and grants. Intergovernmental revenues represent 6.7 percent, and most of the rest is interest income and miscellaneous revenue.

The total cost of all programs and services \$246,604. The Village's expenses cover all services performed by its office.

#### **Governmental Activities**

Revenues for the Village's governmental activities were \$134,732 less than total expenses for year end.

- The cost of all governmental activities this year was \$246,604.

<b>Table A-2</b>		
<b>Changes in Village's Net Assets</b>		
<b>Governmental Activities</b>		
	<b>2007</b>	<b>2006</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 202,464	\$ 194,714
Grants	134,874	15,698
General revenues		
Intergovernmental	25,525	23,061
Miscellaneous	7,224	1,648
Interest	11,249	8,563
<b>Total revenues</b>	<b>381,336</b>	<b>243,684</b>
<b>Expenses</b>		
General government	132,121	88,451
Public safety	108,280	123,555
Streets	6,203	856
<b>Total expenses</b>	<b>246,604</b>	<b>212,862</b>
<b>Increase in net assets</b>	<b>\$ 134,732</b>	<b>\$ 30,822</b>

#### **FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

As the Village completed the year, its governmental funds reported a fund balance of \$277,621.

## **VILLAGE OF FRENCH SETTLEMENT**

### **MANAGEMENTS DISCUSSION AND ANALYSIS**

**December 31, 2007**

#### **General Fund Budgetary Highlights**

- Over the course of the year, there was an amendment made to the general fund budget to increase revenues by approximately \$158,650 mainly attributed to the increase in fines and grants during the year. Expenses were also amended to reflect an increase of approximately \$142,000.

#### **CAPITAL ASSETS**

At the end of 2007, the Village had invested approximately \$532,952 in a broad range of capital assets, including police equipment, vehicles, buildings, and land. (See Table A-3)

<b>Table A-3 Village's Capital Assets</b>			
<b>Governmental Activities</b>			
		<b>2007</b>	<b>2006</b>
Land		\$ 16,838	\$ 16,838
Building and improvements		300,343	261,157
Equipment		107,568	72,296
Vehicles		108,203	48,991
Less: Accumulated Depreciation		(164,302)	(120,742)
<b>Total</b>		<b>\$ 368,650</b>	<b>\$ 278,540</b>

This year's major capital asset addition included:

- Two vehicle purchases totaling \$59,212
- Computers and equipment for vehicles totaling approximately \$35,300.
- Improvements to the town hall \$39,186

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Village is dependent on fines for 30 percent of its revenues, grants are 35 percent and franchise fees represent 23 percent. The economy is not expected to generate any significant growth. Therefore, the Village's future revenues are expected to be consistent with the current years.

#### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Toni Guitrau, P.O. Box 3, French Settlement, LA 70733.

**VILLAGE OF FRENCH SETTLEMENT**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

	<b><u>Governmental Activities</u></b>
<b><u>ASSETS</u></b>	
Cash	\$ 270,297
Receivables	16,012
Capital assets, net of accumulated depreciation	<u>368,650</u>
TOTAL ASSETS	<u>654,959</u>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 4,838
Salaries payable	2,254
Accrued expenses	<u>1,596</u>
TOTAL LIABILITIES	<u>8,688</u>
<b><u>NET ASSETS</u></b>	
Invested in capital assets	368,650
Unrestricted	<u>277,621</u>
TOTAL NET ASSETS	<u><u>\$ 646,271</u></u>

See accompanying notes and accountant's report

**VILLAGE OF FRENCH SETTLEMENT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Grants	Governmental Unit
<b><u>FUNCTIONS/PROGRAMS</u></b>				
Governmental activities:				
General governmental	246,604	\$ 202,464	\$ 134,874	\$ 90,734
Total governmental activities	246,604	202,464	134,874	90,734
General Revenues:				
French Settlement Police Department				14,175
Occupational licenses				9,385
Permits				1,243
Beer tax				722
Interest				11,249
Miscellaneous				7,224
Total general revenues				43,998
Change in net assets				134,732
Net assets - January 1, 2007				511,539
Net assets - December 31, 2007				\$ 646,271

See accompanying notes and accountant's report

**VILLAGE OF FRENCH SETTLEMENT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2007**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 270,297
Receivables	16,012
<b>Total assets</b>	<u><u>\$ 286,309</u></u>
 <b>LIABILITIES</b>	
Accounts payable	4,838
Salaries payable	2,254
Accrued expenses	1,596
<b>Total liabilities</b>	<u><u>8,688</u></u>
 <b>FUND BALANCES</b>	
Unreserved	<u>277,621</u>
 <b>Total liabilities and fund balances</b>	<u><u>\$ 286,309</u></u>

See accompanying notes and accountant's report

**VILLAGE OF FRENCH SETTLEMENT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

Total fund balances - Governmental Funds		\$ 277,621
Cost of capital assets at December 31, 2007	\$ 532,952	
Less: accumulated depreciation as of December 31, 2007	<u>(164,302)</u>	<u>368,650</u>
Total net assets at December 31, 2007 - Governmental Activities		<u>\$ 646,271</u>

See accompanying notes and accountant's report

**VILLAGE OF FRENCH SETTLEMENT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>
<b>REVENUE</b>	
Fines	\$ 113,307
Franchise fees	89,157
French Settlement Police Department	14,175
Occupational licenses	9,385
Grants	134,874
Permits	1,243
Beer tax	722
Miscellaneous	7,224
Interest	11,249
	<u>381,336</u>
 <b>EXPENDITURES</b>	
General government	222,231
Public safety	108,280
Streets	6,203
Total expenditures	<u>336,714</u>
 Excess of Revenues over expenditures	44,622
 <b>Fund Balance, Beginning of Year</b>	232,999
<b>Fund Balance, End of Year</b>	<u><u>\$ 277,621</u></u>

See accompanying notes and accountant's report

**VILLAGE OF FRENCH SETTLEMENT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2007**

Net change in fund balances - Governmental funds	\$ 44,622
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The change in net assets reported for governmental activities in the statement of activities is different because:

Capital Outlay	133,670
Depreciation expense	<u>(43,560)</u>
Change in net assets of governmental activities	<u><u>\$ 134,732</u></u>

See accompanying notes and accountant's report



# **VILLAGE OF FRENCH SETTLEMENT**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **INTRODUCTION**

The Village of French Settlement is the governing authority for the Village of French Settlement and is a political subdivision of the State of Louisiana. The village is operated under a Mayor-Board of Alderman form of government. The Mayor, alderman and alderwomen serve four-year terms.

Louisiana Revised Statute 33:321 gives the village various powers in regulating and directing affairs of the village and its inhabitants. The more notable of these is the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for health and welfare of the poor, disadvantaged, and unemployed in the village. Funding to accomplish these tasks is provided by fines, beer and alcoholic beverage permits, franchise taxes, and various other state and federal grants.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

As the governing authority of the incorporated limits of French Settlement, for reporting purposes, the Village of French Settlement is the financial reporting entity for French Settlement, Louisiana. The financial reporting entity consists of (a) the primary government (village), (b) organizations for which the primary government is financially accountable, and (c) other organization for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of French Settlement for financial reporting purposes. The basis criterion for including a potential unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the village to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

## **VILLAGE OF FRENCH SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Based on the previous criteria, the village has determined that there are no component units.

##### **B. Fund Accounting**

The village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

##### **Governmental Funds**

Government funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The Village's governmental fund is a general fund.

1. **General Fund** – the principal fund of the village's office and accounts for the operations of the village's office. Sources of revenue include fines, licenses, permits and property taxes. General operating expenditures are paid from this fund.

##### **C. Basis of Presentation, Basis of Accounting**

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the Village of French Settlement. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Village's funds. Separate statements for each fund category – *governmental* – are presented. The emphasis of fund financial statements is on major governmental funds, displayed in a separate column.

## **VILLAGE OF FRENCH SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The Village reports the following major governmental funds:

a. General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus, Basis of Accounting -

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental activities of the Village follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinion, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. the underlying events occur.

E. Budget Practices

A budget for the year ending December 31, 2007, was formally adopted in December, 2006.

## **VILLAGE OF FRENCH SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **F. Cash and Cash Equivalents and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices of Louisiana.

##### **G. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated market value at the date of donation. The Town maintains a threshold of \$500 or more for capitalizing capital assets.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Improvements	15 years
Vehicles	5 years
Equipment	7 years

##### **H. Compensated Absences**

The village has no policy relating to vacation and sick leave.

##### **I. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

##### **J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## **VILLAGE OF FRENCH SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **2. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2007, are as follows:

Governmental activities:

	<u>Land</u>	<u>Building and Improvements</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of Capital Assets December 31, 2006	\$ 16,838	\$ 261,157	\$ 72,296	\$ 48,991	\$ 399,282
Additions	-	39,186	35,272	59,212	133,670
Costs of Capital Assets, December 31, 2007	16,838	300,343	107,568	108,203	532,952
Accumulated depreciation December 31, 2006	-	50,271	44,457	26,014	120,742
Additions	-	9,141	16,638	17,781	43,560
Accumulated depreciation, December 31, 2007	-	59,412	61,095	43,795	164,302
Capital assets, net of accumulated depreciation at December 31, 2007	<u>\$ 16,838</u>	<u>\$ 240,931</u>	<u>\$ 46,473</u>	<u>\$ 64,408</u>	<u>\$ 368,650</u>

For the year ended December 31, 2007, depreciation expense was \$43,560.

#### **3. CASH AND CASH EQUIVALENTS**

At December 31, 2007, the Village has cash and cash equivalents (book balances) totaling \$270,297, as follows:

	<u>Total</u>
Demand Deposits	\$ 33,569
Louisiana Assets Management Pool	<u>236,728</u>
Total	<u>\$ 270,297</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2007, the village has \$33,777 in deposits (collected bank balances). The \$33,777 consists of a non-interest bearing account. It is secured from risk by \$33,777 of federal deposit insurance. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc., (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana, which operates a local government investment pool. Investments are stated at cost.

## **VILLAGE OF FRENCH SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **4. INVESTMENTS**

At December 31, 2007, the village had investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment of LAMP at December 31, 2007, is not categorized in the three categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc. A non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investments interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess of 397 days. The LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Since all o the investments are considered less than 90 days, the investments are classified as cash equivalents on the balance sheet of the village.

#### **5. RECEIVABLES**

The receivables of \$16,012 at December 31, 2007, were from amounts due for franchise taxes.

#### **6. AMOUNTS PAID ELECTED OFFICIALS**

	<u>Amount</u>
Toni Guitrau, Mayor	6,000
Sean Guitreau, Alderman	1,813
Teresa Miller, Alderwoman	1,813
Glen G. Newell, Alderman	1,813
Harry Brignac, Chief of Police	<u>28,800</u>
Total	<u>\$ 40,239</u>

**VILLAGE OF FRENCH SETTLEMENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Fines	81,100	\$ 100,600	\$ 113,307	\$ 12,707
Franchise fees	89,600	88,100	89,157	1,057
French Settlement Police Department	10,200	14,050	14,175	125
Occupational licenses	6,750	8,900	9,385	485
Grants	4	134,952	134,874	(78)
Permits	3,001	1,201	1,243	42
Beer tax	1,250	900	722	(178)
Miscellaneous	7,010	6,861	7,224	363
Interest	7,500	9,500	11,249	1,749
	<u>206,415</u>	<u>365,064</u>	<u>381,336</u>	<u>16,272</u>
<b>EXPENDITURES</b>				
General government	91,952	217,802	222,231	(4,429)
Public safety	98,605	111,652	108,280	3,372
Streets	1,500	4,600	6,203	(1,603)
Total expenditures	<u>192,057</u>	<u>334,054</u>	<u>336,714</u>	<u>(2,660)</u>
Excess of revenues over expenditures	14,358	31,010	44,622	13,612
<b>Fund Balance, Beginning of year</b>	<u>232,999</u>	<u>232,999</u>	<u>232,999</u>	-
<b>Fund Balance, End of year</b>	<u>\$ 247,357</u>	<u>\$ 264,009</u>	<u>\$ 277,621</u>	<u>\$ 13,612</u>

See accountant's report



**Postlethwaite & Netterville**

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**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

The Honorable Mayor, Clyde L. Wheat  
And Members of the Board of Aldermen  
Village of French Settlement, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of French Settlement, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of French Settlement, Louisiana's compliance with certain laws and regulations during the year ended December 31, 2007, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law:**

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Purchases were made in accordance with bid law.

**Code of Ethics for Public Officials and Public Employees:**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.



4. Determine whether any of those employees included in the list obtained from management in agreed-upon procedures (3) were also included on the list obtained from management in agreed-upon procedures (2) as immediate family members.

None were included.

#### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We were able to trace the original budget and amendments to the minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Actual revenues were more than budgeted amounts, but expenditures did not exceed budget amounts by more than 5%.

#### **Accounting and Reporting:**

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee,

We examined supporting documentation for each of the six selected disbursements and found that payment was for proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account, and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of the documentation supporting each of the six selected disbursements indicated approval from the board of aldermen.

**Meeting:**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised by LSA-RS 42:1 through 42:12 (the open meetings law).

The village properly complied with the requirements of the open meetings law.

**Debt:**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

Inspection of all bank deposit slips for the period under examination showed that none of the deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

**Advances and Bonuses:**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

No payments to employees appear to be bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of any opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of French Settlement, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



May 27, 2008

## LOUISIANA ATTESTATION QUESTIONNAIRE

Postlethwaite & Netterville, APAC  
326 E. Cornerview  
Gonzales, LA 70737

In connection with the review of our financial statements as of December 31, 2007, and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representation to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to make these representations.

These representations are based on the information available to us, the Village of French Settlement, as of

### Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ( X )      No (   )      N/A (   )

### Code of Ethics for Public Officials and Public Employees

It is true that no employees have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ( X )      No (   )      N/A (   )

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ( X )      No (   )      N/A (   )

### Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes ( X )      No (   )      N/A (   )

### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ( X )      No (   )      N/A (   )

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ( X )      No (   )      N/A (   )

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ( X )      No (   )      N/A (   )

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ( X )      No ( )      N/A ( )

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution,, and LSA-RS 47:1410.60.

Yes ( X )      No ( )      N/A ( )

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ( X )      No ( )      N/A ( )

We have disclosed to you all known noncompliance of the foregoing laws and regulations, we well as any contradictions to the foregoing representation. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Toni Guiray  
Monte Ferguson  
Monte Ferguson

Mayor

Treasurer

Town Clerk

Toni Guiray  
Monte Ferguson  
Monte Ferguson